
HOUSE BILL No. 1376

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-12.2.

Synopsis: Property tax exemption for aircraft. Provides a deduction for certain aircraft and related parts and equipment owned by a business entity with an Indiana corporate headquarters.

Effective: January 1, 2003 (retroactive).

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January 14, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1376

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-12.2 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2003 (RETROACTIVE)]:

4 **Chapter 12.2. Deduction for Aircraft and Related Parts and**
5 **Equipment**

6 **Sec. 1. This chapter applies only to the following:**

7 **(1) Aircraft with a seating capacity of not more than ninety**
8 **(90) passengers used in the air transportation of passengers or**
9 **passengers and property.**

10 **(2) Aircraft used to transport only property, regardless of**
11 **whether the aircraft is operated as a common carrier for**
12 **compensation.**

13 **(3) Spare parts for aircraft described in subdivision (1) or (2),**
14 **or both, regardless of whether the spare parts are capable of**
15 **being used in other aircraft.**

16 **(4) Equipment directly or indirectly used in repairing,**
17 **maintaining, or extending the useful life of aircraft described**



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in subdivision (1) or (2), or both, regardless of whether the equipment is or is capable of being used for other aircraft.

Sec. 2. As used in this chapter "abatement property" refers to tangible personal property described in section 1 of this chapter.

Sec. 3. As used in this chapter, "aircraft" has the meaning set forth in 49 U.S.C. 40102.

Sec. 4. As used in this chapter, "air transportation" means transportation of passengers or property by aircraft as a common carrier for compensation.

Sec. 5. As used in this chapter, "business entity" refers to a corporation (as defined in IC 6-3-1-10) or partnership (as defined in IC 6-3-1-19).

Sec. 6. As used in this chapter, "equipment" refers to equipment directly or indirectly used in the maintenance, repair, or extension of the useful life of an aircraft.

Sec. 7. As used in this chapter, "Indiana corporate headquarters" means a physical presence in Indiana of a domestic business entity that results in Indiana being the regular or principal place of business of its chief executive, operating, and financial officers.

Sec. 8. As used in this chapter, "spare parts" has the meaning set forth in 49 U.S.C. 40102.

Sec. 9. As used in this chapter, "subsidiary" means a business entity in which another business entity with an Indiana corporate headquarters has at least an eighty percent (80%) ownership interest.

Sec. 10. As used in this chapter, "taxpayer" means a business entity that:

- (1) has an Indiana corporate headquarters; or
- (2) is a subsidiary of a business entity with an Indiana corporate headquarters;

and that is liable under IC 6-1.1-2-4, as applied under IC 6-1.1-3 or IC 6-1.1-8, for ad valorem property taxes on abatement property.

Sec. 11. A taxpayer is entitled to a deduction from the assessed value of abatement property in each year in which the abatement property is subject to taxation for ad valorem property taxes.

Sec. 12. The amount of the deduction is equal to one hundred percent (100%) of the assessed value of the abatement property.

Sec. 13. The deduction includes ad valorem property taxes calculated using aircraft ground times.

Sec. 14. To qualify for the deduction, the taxpayer must claim the deduction, in the manner prescribed by the department of local

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1 government finance, on the taxpayer's personal property tax
2 return filed under IC 6-1.1-3 or IC 6-1.1-8 (or an amended return
3 filed within the time allowed under this article) for the abated
4 property to which the deduction applies.

5 SECTION 2. [EFFECTIVE JANUARY 1, 2003 (RETROACTIVE)]
6 IC 6-1.1-12.2, as added by this act, applies only to assessment dates
7 after December 31, 2001, and ad valorem property taxes due and
8 payable after December 31, 2002.

9 SECTION 3. An emergency is declared for this act.

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